



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Ken Carver

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

May 16, 2000

Stephen Engle
7813 West Bridgton Drive
Magna, Utah 84044-2303

Re: Deficient Notice Information, Stephen Engle, Recapture & Johnson Creek Proposal, San Juan County, Utah

Dear Mr. Engle:

On May 9, 2000, the Division received the information describing your Recapture and Johnson Creek proposal for activities on land managed by the School and Institutional Trust Lands Administration (SITLA). The information included: (1) a copy of the SITLA description of required notification information with comments written in the margin, (2) an attached page describing suction dredge equipment and sluices, (3) a copy of a SITLA Mineral Lease Application form, (4) a copy of a quad map with lease blocks identified.

The information you have submitted does not satisfy the notice requirements of Rule R647-2 of the Utah Mined Land Reclamation Act of 1975, Title 40-8, et seq., Utah Code Annotated. On May 10, 2000, the Division contacted Will Stokes of SITLA regarding the status of the mineral lease. At that time the lease application had not yet been approved. Mr. Stokes informed us that the information submitted would not satisfy SITLA's notification requirements for a mining operation plan. Given the description of your proposed project, it seems most appropriate to categorize your proposal as an exploration project. **Please complete the enclosed Notice of Intention to Commence Exploration (form MR-EXP) and submit a copy of the completed form to both the Division and SITLA for review.** Please note that a permit application fee of \$100.00 must accompany your submission to the Division.

Your proposal does not qualify for the Recreational Dredging and Sluicing (RD&S) application being managed by the State Division of Water Rights because of the involvement of State Managed Lands. Thank you for your cooperation in completing the necessary permitting forms. If you have any questions regarding this letter, please contact me by phone at (801) 538-5267.

Sincerely,

Anthony A. Gallegos
Senior Reclamation Specialist
Minerals Reclamation Program

jb
Enclosure: form MR-EXP
cc: Will Stokes, SITLA
Jim Wells, Water Rights (RD&S files)
s-engle.let



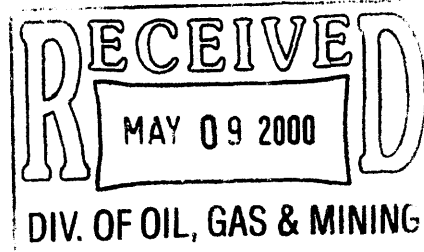
State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

Michael O. Leavitt
Governor

David T. Terry
Director

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)



Revised NOV/97

SCHOOL & INSTITUTIONAL TRUST LANDS ADMINISTRATION NOTICE OF INTENT TO COMMENCE MINERAL EXPLORATION/MINING

SITLA NOTIFICATION - At least 60 days prior to the commencement of mineral exploration or mining operations which will disturb the surface or subsurface of state trust lands the mineral lessee or permittee must submit a plan of operation to the School and Institutional Trust Lands Administration. The Trust Lands Administration shall review the plan of operation and advise the lessee or permittee of bonding or other requirements necessary to proceed. Such notification to the Trust Lands Administration is required in addition to notification to the Utah Division of Oil, Gas & Mining or any other government agency. The lessee or permittee may not commence operations upon the trust lands until final approval of the plan of operation is given by the Trust Lands Administration. Such notification to the Trust Lands Administration shall contain the following information, as may apply.

- 1) Name, address and telephone number of the lessee or permittee, and all other operators designated by the lessee or permittee to conduct exploration or mining operations upon the lands. Operators other than the lessee or permittee of record must be designated in writing to the Trust Lands Administration.
- 2) Lease or permit identification number and a description of the mineral commodities to be explored or mined.
- 3) A detailed description of the proposed minerals exploration or mining activity, including:
 - A) Location and description of all water-courses and water bodies to be disturbed. *Recapture of Johnson creek*
 - B) Description of types and extent of vegetative cover to be removed or disturbed. *N/A*
 - C) Plan for the storage and transport of any explosives, chemicals or toxic materials at the site. *N/A*
 - D) Plan for the storage and disposal of solid and chemical waste and sewage at the site. *N/A*
 - E) Types and sizes of heavy equipment to be used at the site. *N/A*
 - F) Location, width, length and surfacing of access roads to be constructed or improved. *N/A*
 - G) Location, diameter and depth of all bore holes to be drilled. *N/A*
 - H) Method of mining, i.e. trenching, open pit, room & pillar, long-wall, auger, etc. *N/A*
 - I) Location, layout and approximate dimension of all cuts, trenches, pits, tunnels or other excavations. *N/A*
 - J) Description of topsoil and plan for removing, storing and protecting topsoil from areas to be disturbed. *N/A*
 - K) Depth of overburden and plan for storing and disposing of overburden materials. *N/A*
 - L) Mining depths and heights and plan for storing and handling the leased substances to be mined. *N/A*
 - M) Plan for measuring, weighing and accounting for the quantity of leased substances mined. *Portable scale*
 - N) Plan for ensuring maximum economic recovery and conservation of the mineral resources. *The right water flow & pitch in the sluice will ensure max recovery.*
- 4) The following maps must be submitted as part of the plan of operations.
 - A) A U.S.G.S. topographic map at a scale of 1:24,000, or larger, showing the location of i) existing and proposed access roads to the work sites, ii) proposed bore hole sites, and iii) proposed mining sites.
 - B) A site map at a scale of not more than 50 feet to the inch, or such other scale as may be accepted by the Trust Lands Administration, showing the location and layout of i) existing and proposed surface excavations and underground workings, ii) proposed stockpile areas for topsoil, overburden and mined ore, iii) explosives, chemical and waste storage and disposal areas, iv) ore processing facilities, including screens, crushers, and wash plants, and v) other structures or storage areas.
- 5). Notifications to commence mining shall also contain a copy of all geological logs, reports, maps and assays in the possession of or at the disposal of the lessee or permittee regarding the size, nature, extent and value of the ore body to be mined. Such information as may be physically designated confidential by the lessee or permittee shall be held in protected status by the Trust Lands Administration.

Page 2. SITLA, NOTICE OF INTENT TO COMMENCE MINERAL EXPLORATION/MINING

RECLAMATION - A plan for reclaiming all disturbances proposed upon trust lands by a mineral lessee or permittee must be submitted along with the above described notification of the commencement of operations. The reclamation plan shall include a commitment by the mineral lessee or permittee to perform the following work concurrent with or at the conclusion of mineral exploration and mining operations.

- A) Keep the exploration/mining operation in a safe, clean and environmentally stable condition.
- B) Plug all bore holes in accordance with rules of the Utah Division of Oil, Gas & Mining. *N/A*
- C) Remove of all trash, debris, toxic materials, equipment and appurtenant structures.
- D) Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry. *N/A*
- E) Fill all cuts, pits, and trenches and eliminate or mitigate danger from mining high-walls. *N/A*
- F) Re-grade and contour all stockpiles of earth materials and all areas of surface disturbance. *N/A*
- G) In the event of surface mining, re-graded all cuts and pits to a slope of not less than 2H:1V. *N/A*
- H) Re-establish and stabilize natural drainages and construct berms as needed to prevent surface erosion. *N/A*
- I) Redistribute topsoil and properly prepare seed-bed by to a depth of six inches by ripping or discing *N/A*
- J) Re-seed disturbed areas with an adaptable species mixture at a concentration of not less than 20 lbs/ac. *N/A*
- K) Reclaim all access roads which are not authorized by the Trust Lands Administration to remain. *N/A*

ACCESS - The lessee or permittee must notify all surface owners and all other trust land lessees having a legal interest in the affected trust lands and must, without expense to the Trust Lands Administration or the State of Utah, resolve any problems of access or tenancy prior to the commencement of mineral exploration or mining operations upon the lands.

OTHER AGENCIES - The lessee or permittee must meet all notification and permitting requirements or rules of the Utah Division of Oil, Gas & Mining, the Utah Department of Environmental Health, the Utah State Historic Preservation Office and all other government agencies having jurisdiction over minerals activities which may affect natural of cultural resources.

CULTURAL RESOURCES - A cultural resources survey of the trust lands to be impacted by mineral exploration or mining may be required at the sole expense of the lessee or permittee. Cultural resource surveys must be performed by individuals deemed by the Trust Lands Administration as qualified to perform the work.

BONDING - Prior to the commencement of any mineral exploration of mining operations upon trust lands the lessee or permittee may be required to post a bond with the Trust Lands Administration. The bond shall be in such form and amount as determined by the Trust Lands Administration to protect the assets and interest of the trust and the State of Utah and shall be conditioned upon compliance by the lessee or permittee with all the terms and conditions of the lease or permit, including reclamation of mined land disturbances and payment of royalties.

My partner Lew Sherman's Add-

4494 W 3855-S - W.V. City, Utah 84120.

● Phone (801) 966-5765.

Lew's Equipment - 2-5 H.P. Engines & one 3.5 H.P. engine, 2.5" nozzle, 12" wide sluices, picks & shovels.

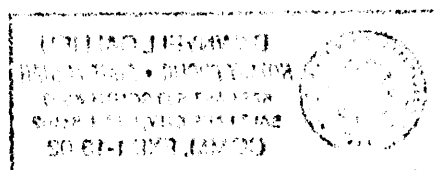
My equipment - one 5 H.P. Engine - 2" & 3" nozzle 10" wide sluices, picks & shovels.

Moterized sluices, pick & shovel operation.

FILED

00 APR 14 PM 1:49

STATE OF UTAH
TRUST LANDS ADMINISTRATION



OFFICE USE ONLY

APPLICATION NO. _____

MINERAL LEASE APPLICATION

SCHOOL & INSTITUTIONAL TRUST LANDS ADMINISTRATION

FUNDING

SCH
 MH
 NS
 SM
 UNIV
 DEAF
 IB
 USH
 SYDC
 RES
 PB
 USU
 OTHER ..
 TOTAL ..

Checked by _____

Stephen Engle NAME

7813-W-Bridgton Dr. ADDRESS

Magna CITY Utah STATE 84044 ZIP CODE

TELEPHONE NO. (801) 250-1770

Applicant hereby applies for a Mineral Lease on the following described tract of land situated in San Juan County, State of Utah, for the purpose of mining the following mineral or minerals therefrom metalliferous Minerals

Subdivision	Section	Township	Range	Mer	Acres
<u>Lot 2</u>	<u>2</u>	<u>36 S</u>	<u>22 E</u>	<u>5 L</u>	<u>49.95</u>
<u>Lot 3</u>	<u>2</u>	<u>36 S</u>	<u>22 E</u>	<u>5 L</u>	<u>49.42</u>

(Total Acres)

Applicant offers to accept all the requirements of the Laws of the State of Utah governing the issuance of Mineral leases and operating thereunder. Applicant offers \$1.00 per acre or fraction thereof per annum rental, and the royalties as established by the Director of the Trust Lands Administration, and deposits herewith \$ 80.00 to pay rental for the first year of the lease, and \$30.00 application fee. If the applicant is a firm, association or corporation, the date when such became qualified to do business in the State of Utah was _____.

Stephen F Engle
 (Applicant) Signature

By _____

*(Attorney-in-fact) Signature

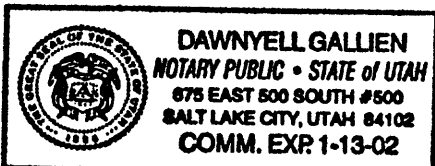
State of Utah)

County of)

**The applicant listed above _____ being first duly sworn, deposes and says that _____

is (are) the applicant(s) above named. (If Corporation, complete the following) The applicant is a corporation organized under the laws of the United States or of the State or territory of _____ and that the above-signed is a duly qualified agent of said corporation; and that such association or corporation has fully complied with all the laws of the State of Utah relative to qualifications to do business within the State of Utah and is not in default under any such laws.

Subscribed and sworn to before me this 14th day of April, 192000.



Dawnyell Gallien
 Notary Public, residing at: SLC, UT

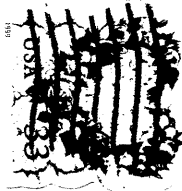
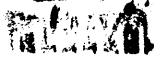
My Commission Expires: 1-13-2002

*Applications filed by an attorney-in-fact acting in behalf of the applicant shall not be accepted unless there is sufficient evidence on file with the Trust Land Administration that the applicant authorized the attorney-in-fact to apply for and execute the lease in his behalf.

*Strike out parts not applicable.

over 2

Stephen Engle
7813-W-Bridgton Dr.
Magna, Utah-84044-2303.



Tony Gallegos
1594-W-North Temple, Suite 1210.
P.O. Box 145610
Salt Lake City, Utah 84114-5610.

